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OFFICE OF THE
EXECUTIVE SECRETARY

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May 25, 1999

VIA OVERNIGHT DELIVERY

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

In re: Chattanooga Gas Company - Petition for Revised Main and Service Line
Extension Rule; Case No. 96-01174

Dear Mr. Waddell:

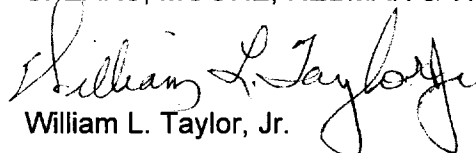
Enclosed herewith, in 13 copies, is a final copy of the Rules and Regulations of Chattanooga Gas Company, TRA No. 2, which was approved by the Directors in their conference agenda on May 18, 1999. Please note that this includes original or revised sheets 1 through 3 (including sheets 2 through 2J) and Appendix A, Pages 1 through 22.

Upon the date of the Order, the effective date, as indicated in the margin or in the heading of the final copies, can be inserted.

Please advise when we may expect the final Order so that this rule in final form can be implemented.

Very truly yours,

SPEARS, MOORE, REBMAN & WILLIAMS


William L. Taylor, Jr.

WLT:jcb
Enclosures

May 25, 1999
Page 2

cc.: Mr. Harry Thompson, President
Chattanooga Gas Company
6125 Preservation Drive
Chattanooga, TN 37416

Mr. Earl Burton
Chattanooga Gas Company
6125 Preservation Drive
Chattanooga, TN 37416

Mr. Richard Collier
General Counsel
Tennessee Regulatory Authority
460 James Robertson Parkway
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OFFICE OF THE
EXECUTIVE SECRETARY

CHATTANOOGA GAS COMPANY

6125 Preservation Drive

Chattanooga, Tennessee 37416

TRA NO. 2

RULES AND REGULATIONS FOR THE COMPANY'S GAS SERVICE

IN

HAMILTON AND BRADLEY COUNTIES, TENNESSEE

APPLICABILITY

These rules and regulations are applicable to consumers served by the Chattanooga Gas Company within the Certificated areas in Bradley and Hamilton Counties.

DEFINITIONS

As herein used:

"Applicant" means any person who has made application to Company for gas service.

or

"Company" means Chattanooga Gas Company.

"Commission" means Tennessee Regulatory Authority.

"Consumer" means an individual, firm, or organization who purchases service at one location under one rate classification contract.

"Customer"

"Residential Service" applies to consumers supplied for residential purposes on an individual basis in a single family dwelling or building, or in an individual flat or apartment in a multiple family dwelling or building or portion thereof occupied as the home, residence or sleeping place of one or more persons.

"Commercial Service" applies to consumers engaged in selling, warehousing, or distributing a commodity, in some business activity or in a profession, or in some other form of economic or social activity (office, stores, clubs, hotels, etc.), and to service which does not directly come in one of the other classifications of service.

"Industrial Service" applies to consumers engaged in a process which creates or changes raw or unfinished materials into another form or product. (Factories, mills, machine shop, mines, oil wells, refineries, pumping plants, creameries, canning or packing plants, shipyards, etc., i.e., in extractive, fabricating or processing activities.)

"Distribution System" means the gas pipes owned and operated by the Company for the distribution of gas for delivery to consumers up to but not beyond the point of delivery.

"Main" means the gas pipe other than service line.

DEFINITIONS (Continued)

- "Point of Delivery" means the outgoing side of the meter(s) or regulator(s) installed and maintained by the Company for the purpose of measuring gas delivered to consumer.
- "Service" means gas service.
- "Special Contract" means a contract for service on forms furnished by the Company.
- "Service Stub" means gas pipe laid from main to consumer's property line.
- "Service Line" means the gas pipe laid from consumer's line to point of delivery.

APPLICATION FOR SERVICE

Service will be rendered by the Company upon application by the consumer for service and the acceptance thereof by the Company.

Company will make extensions of its distribution system pursuant to the provisions hereinafter set forth.

RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE

Service lines and distribution mains necessary to furnish permanent service to Applicants for Residential Service within established service areas of the Company will be constructed by the Company in accordance with the following provisions:

A. Definitions

- (1) Approach Main - main constructed outside the property boundaries of the development or premises of the Applicant for which gas service is requested.
- (2) Project Main - main constructed within the property boundaries of the development or premises of the Applicant for which gas service is requested.
- (3) Gas Consumption Bulletin - a bulletin showing the estimated annual consumption of various gas appliances by residential customers as determined from time to time by the Company.
- (4) Infill Potential - the estimated additional gas loads that will be served from the Approach Main at locations outside the development or premises for which gas service is requested.

RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE (Continued)

- (5) Revenues - Revenues shall be computed for the estimated annual consumption at the current rates excluding gas cost, other rider revenues and any taxes added to the customer's bill.

B. General

The Company will construct, own, operate and maintain gas distribution mains generally along public streets, roads and highways which the Company has the legal right to occupy and, at the Company's election, on public lands and private property across which rights-of-way satisfactory to the Company may be obtained without cost to the Company.

The Company will construct, own, operate and maintain a service line of suitable capacity from its distribution main to the curb or right-of-way line of a public street, highway, road or alley upon which the residential structure to be served faces and abuts at no cost to the Applicant. Additional facilities will be provided pursuant to the following provisions.

C. Extension of Main and Service

(1) Calculation of Allowable Investment

- a. The allowable investment in metering and regulating equipment, main and service line to be made by the Company without contribution or payment by the Applicant shall not exceed the Estimated Annual Revenues from the extension divided by the Levelized Annual Carrying Charge Rate applicable to the investment.
- b. The Levelized Annual Carrying Charge Rate shall be calculated by using the weighted average cost of capital as determined in the Company's last rate proceeding adjusted for taxes and depreciation required to recover the Company's investment over the expected economic life of the investment as determined from time to time by the Company. These costs will be discounted at the cost of capital.
- c. The required investment in metering and regulating equipment shall be based on engineering cost estimates as determined by the Company.
- d. The cost per foot for service lines and main extensions will be based upon the system wide average unit cost per foot as determined by the Company from the actual installed cost of such service lines and mains for the latest three-year fiscal period of the Company.
- e. Estimated Annual Revenues shall be based upon the usage of the appliance that the Applicant has committed contractually to install as shown in the applicable Gas Consumption Bulletin of the Company in Appendix A of the Rules and Regulations at the approved rates of the Company in effect when construction of the extension begins less certain direct expenses (meter reading, billing, etc.) and infrastructure expenses (right-of-way crossings, etc.) as approved from time to time.

RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE (Continued)

- f. To the extent that the extension required investment in Approach Main, Estimated Annual Revenues may also include Revenues associated with Infill Potential, as hereinafter defined, provided, however, that revenues associated with Infill Potential may not exceed fifty percent (50%) of Project Revenues.
- g. "Revenues Associated with Infill Potential" means revenues, adjusted for any additional costs, which, based upon analyses of the Company's extensions for residential service in comparable areas, can be expected within a five year period from the Approach Main in addition to Project Revenues.
- h. The economic life factor used in computing the Levelized Annual Carrying Charge Rate hereunder shall be 15 years where natural gas space heating is installed; 10 years where natural gas water heating is installed as the principal gas appliance and 5 years for any other equipment. The Company reserves the right to recognize any conditions that would make the use of a typical economic life factor imprudent.

(2) Order of Application

- a. The allowable investment shall be applied in the following order to the equipment and facilities required in the extension: metering and regulating equipment; service line; Project Main; and Approach Main.
- b. In the event that the allowable investment is not sufficient to cover the cost of the equipment and facilities required in the extension, the Applicant will be required to pay the excess costs, determined in accordance with the provision of subparagraph (1) above.

(3) Limitations

No allowable investment will be made for auxiliary or incidental uses of gas. The Company shall not be required to provide any connection to the Company's system where such connection may have an adverse impact on existing customers unless the Authority has prescribed a tariff provision designed to eliminate such adverse impact on existing customers.

(4) Length and Location

- a. The length of main required for a main extension or the length of service line will

RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE (Continued)

be considered as the distance along the shortest practical route, as determined by the Company, from the Company's nearest distribution main capable, in the opinion of the Company, of properly supplying the Applicant. Irrespective of the total allowable investment, the Company shall not be required to extend a main or service line a greater distance than necessary in the judgment of the Company to serve an Applicant.

- b. The service line shall be of the size and type required to supply the principal requirements of the premises served, and shall extend from the curb to the first reasonably acceptable meter location as determined by the Company.
- c. Company reserves the right to designate the locations and specifications for the main taps, service lines, curb cocks, meters and regulators and to determine the amount of space which must be left unobstructed for the installation and maintenance thereof. Applicant may request an alteration of such designation and, if consented to by the Company, the cost of such revised designation in excess of the cost of the original Company design shall be borne by the Applicant regardless of whether the length of service line laid as requested by Applicant comes within the allowable investment provided in this rule.

(5) Extensions Beyond the Free Length

a. Payment Provisions

Extensions of mains or service lines beyond the allowable investment will be made by the Company provided that the Applicant pays to the Company the excess cost of such main or service lines. Such payment may be made over 36 months provided that the Applicant executes an appropriate finance agreement with the Company. Interest on unpaid balances shall accrue from the date construction is completed at a rate equal to the then existing prime rate (as defined in the Money Rates Section of the Wall Street Journal) plus 3 percent. The interest rate shall be adjusted on the 1st day of April of each succeeding year to the then existing prime rate plus 3 percent.

b. Adjustment of Allowable Investment and Payments

- (i) A survey will be made by the Company within one year after service is commenced to a Customer at a particular residential unit and in any event within three years after the date of completion of the main extension to determine the appliances or equipment in use at the development or premises of the Applicant served by the extension.
- (ii) If, based upon the appliances or equipment found to be in use, there is a lesser allowable investment than that originally granted and a payment is

RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE (Continued)

required in addition to any prior payment by the Applicant, such additional payment shall be paid by the Applicant.

- (iii) The Company may grant a reasonable extension of time for the Applicant to install the appliances or equipment originally agreed upon, provided that the failure to install such appliances or equipment was due to reasons beyond the control of the Applicant.

c. No Refund of Payments

There will be no refunds associated with any payments, contributions or advances hereunder.

d. One Service Line for a Single Premises

The Company will not install more than one service line to supply the premises of an individual customer unless for the convenience of the Company or an Applicant requests an additional service line and, in the judgment of the Company, an unreasonable burden would be placed on the Applicant if the additional service line were not installed. When an additional service line is installed under these conditions at the Applicant's request, the Applicant shall pay for the entire length of said additional service line, meter and regulating equipment at the costs provided in subparagraph C (1) above.

e. Relocation of Service

- (i) When in the judgment of the Company the relocation of a service line, including metering and regulating facilities, is necessary to maintain adequate service or for the operating convenience of the Company, the Company shall relocate the same at its expense.
- (ii) If relocation of a service line, including metering and regulating facilities, is for the convenience of the Applicant or the Customer, such relocation shall be performed by the Company at the expense of the Applicant or the Customer.

D. Special Conditions

(1) Contracts

The Applicant will be required to execute a contract covering the terms under which the Company will install mains, services, metering and regulating equipment in accordance with the provisions of these Rules and Regulations. The contract will provide that the Applicant will install, commence using in a bona fide manner within six months after the date of the completion of the extension and continue to so use for

RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE (Continued)

a period of five years, those appliances and items on which the Company's allowable investment is based. Such contract will also provide that if the Applicant fails to take service or fails to install one or more of such appliances or items, the Company may calculate and bill the Applicant and the Applicant shall pay an amount according to the Company's residential main and service extension rules in effect at the time the extension was made as if service had been requested on the basis of the actual appliances and equipment installed and utilized. If the Applicant is a developer or builder, the Applicant will install all the appliances on which the extension was based within three years of completion of the total project or shall pay the Company in accordance with the provisions of subparagraph C (5) (b) above.

(2) Periodic Review

The Company will periodically determine the system wide average costs of construction of mains, services and metering and regulating equipment, and publish the average costs by April 1st of each year as Appendix A to this tariff and file those updates with the Tennessee Regulatory Authority with a proposed effective date of three months from the date of filing.

(3) Extension for Temporary Service

Extension for temporary service or for operations which in the Company's opinion are of a questionable permanence will not be made under this rule, but will be made in accordance with the rule pertaining to temporary service.

(4) Service From High Pressure Mains

Service shall be provided from a normal distribution facility of the Company. Company reserves the right, at its sole option, to refuse to extend facilities from any of its lines operating at pressures in excess of 125 pounds.

(5) Title to Facilities

Legal and equitable title to all mains installed by the Company upon which an advance, contribution, or other payment has been made, shall be and remain in the Company, and the Company shall have the right without the consent of, or any refund to, any party who made such advance, contribution, or other payment:

- a. To extend the gas main or connect additional gas mains to any part of it.
- b. To serve new additional customers at any time through service connections attached to such main or to extended or connected gas mains.

(6) Exceptional Cases

In unusual circumstances when the application of this rule appears impractical or unjust to either party, the Company or the Applicant may refer the matter to the

RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE (Continued)

Tennessee Regulatory Authority for special ruling thereon prior to commencing construction.

E. Filings with the Authority

Any filings required to be made with the Authority as a result of this rule shall be filed with the Authority on April 1 of each year. In the event the accounting records necessary to make the required filings are not available to the Company prior to the April 1 filing deadline, the Company shall receive an additional 15 days to file upon filing a written extension request with the Authority prior to April 1.

NON-RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE

Service lines and distribution mains necessary to furnish permanent service to Applicants for Non-Residential Service within established service areas of the Company will be constructed by the Company in accordance with the following provisions:

A. General

The Company will construct, own, operate and maintain gas distribution mains generally along public streets, roads and highways which the Company has the legal right to occupy and, at the Company's election, on public lands and private property across which rights-of-way satisfactory to the Company may be obtained without cost to the Company.

The Company will construct, own, operate and maintain a service line of suitable capacity from its distribution main to the premises of the Applicant. All such main and service facilities will be provided pursuant to the following provisions.

B. Extension of Main and Service

(1) Calculation of Allowable Investment

- a. The allowable investment in metering and regulating equipment, main and service line to be made by the Company without contribution or payment by the Applicant shall not exceed the Estimated Annual Revenues from the extension divided by the Levelized Annual Carrying Charge Rate applicable to the Investment.

NON-RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE
(Continued)

- b. The Levelized Annual Carrying Charge Rate shall be calculated by using the weighted average cost of capital as determined in the Company's last rate proceeding adjusted for taxes and depreciation required to recover the Company's investment over the expected economic life of such investment as determined from time to time by the Company. These costs will be discounted at the Company's cost of capital.
- c. The required investment in metering and regulating equipment shall be based upon engineering cost estimates as determined by the Company.
- d. The cost per foot for service lines and main extensions will be based upon the system wide average unit cost per foot as determined by the Company from the actual installed cost of such service lines and mains for the latest three-year fiscal period of the Company.
- e. The economic life factor used in computing the Levelized Annual Carrying Charge Rate hereunder shall be 15 years for firm service to apartments, office buildings, churches and schools; and ten years to any other firm service including mobile home parks. For interruptible service the economic life factor shall be five years. The Company reserves the right to adjust the economic life factors to recognize any conditions that would make the use of a typical economic life factor imprudent. The economic life of industrial service shall not be greater than the length of gas service contract in years.
- f. Estimated Annual Revenues shall be based upon the contractual commitment of the customer for annual consumption at the approved rates of the Company in effect when construction of the extension begins less certain direct expenses (meter reading, billing, etc.) and infrastructure expenses (right-of-way crossings, etc.) as approved from time to time.

(2) Order of Application

- a. The allowable investment shall be applied in the following order to the equipment and facilities required in the extension: metering and regulating equipment; service line; and main.
- b. In the event that the allowable investment is not sufficient to cover the cost of the equipment and facilities required in the extension, the Applicant will be required to pay the excess costs, determined in accordance with the provision of subparagraph (1) above.

NON-RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE
(Continued)

(3) Limitations

No allowable investment will be made for auxiliary or incidental uses of gas. The Company shall not be required to provide any connection to the Company's system where such connection may have an adverse impact on existing customers unless the Authority has prescribed a tariff provision designed to eliminate such adverse impact on existing customers.

(4) Length and Location

- a. The length of main required for a main extension or the length of service line will be considered as the distance along the shortest practical route, as determined by the Company, from the Company's nearest distribution main, capable in the opinion of the Company of properly supplying the Applicant. Irrespective of the total allowable investment, the Company shall not be required to extend a main or service line a greater distance than necessary in the judgment of the Company to serve an Applicant.
- b. The service line shall be of the size and type required to supply the principal requirements of the premises served, and shall extend from the Company's main to the first reasonable acceptable meter location as determined by the Company.
- c. Company reserves the right to designate the locations and specifications for the main taps, service lines, curb cocks, meters and regulators and to determine the amount of space which must be left unobstructed for the installation and maintenance thereof. Applicant may request an alteration of such designation and, if consented to by the Company, the cost of such revised designation in excess of the cost of the original Company design shall be borne by the Applicant regardless of whether the length of service line laid as requested by Applicant comes within the allowable investment provided in this rule. Further, the Company may require Applicant to provide both power and phone lines to the location of such metering facilities.

(5) Extensions Beyond the Free Length

a. Payment Provisions

Extensions of mains or service lines beyond the allowable investment will be made by the Company provided that the Applicant pays to the Company the excess cost of such main or service lines.

NON-RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE
(Continued)

b. Adjustment of Allowable Investment and Payments

- (i) Within one year after service is commenced to a customer, the Company will determine if the annual usage determined in accordance with Section B (I)(e) above has been met.
- (ii) If, based upon the above determination, there is a lesser allowable investment than that originally granted, and a payment is required in addition to the prior payment by the Applicant, if any, such additional shall be paid by the Applicant.
- (iii) The Company may grant a reasonable extension of time for the Applicant to raise annual consumption to the level agreed upon, provided that the failure to reach that level of consumption was due to reasons beyond the control of the Applicant.

c. No Refunds of Payments

There will be no refunds associated with any payments, contributions or advances hereunder.

d. One Service Line for a Single Premise

The Company will not install more than one service line to supply the premises of an individual customer unless for the convenience of the Company or an Applicant requests an additional service line and, in the judgment of the Company, an unreasonable burden would be placed on the Applicant if the additional service line were not installed. When an additional service line is installed under these conditions at the Applicant's request, the Applicant shall pay for the entire length of said additional service line, meter and regulating equipment at the costs provided in subparagraph B (1) above.

e. Relocation of Service

- (i) When in the judgment of the Company the relocation of a service line, including metering and regulating facilities, is necessary to maintain adequate service or for the operating convenience of the Company, the Company shall relocate the same at its expense.
- (ii) If relocation of a service line, including metering and regulating facilities, is for the convenience of the Applicant or the Customer, such relocation shall be performed by the Company at the expense of the Applicant or the Customer.

NON-RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE
(Continued)

C. Special Conditions

(1) Contracts

The Applicant will be required to execute a contract covering the terms under which the Company will install mains, services, metering and regulating equipment in

accordance with the provisions of these Rules and Regulations. The contract will provide that the Applicant will install, commence using in a bona fide manner within six months after the date of the completion of the extension and continue to so use for a period of five years, those appliances and items on which the Company's allowable investment is based. Such contract will also provide that if the Applicant fails to take service or fails to consume sufficient gas to produce the Estimated Annual Revenues, the Company may calculate and bill the Applicant and the Applicant shall pay an amount according to the Company's non-residential main and service extension rules in effect at the time the extension was made as if service had been requested on the basis of the actual equipment installed and utilized.

(2) Periodic Review

The Company will periodically determine the system wide average costs of construction of mains, services, and metering and regulating equipment, and publish the average costs by April 1st of each year as Appendix A to this tariff and file those updates with the Tennessee Regulatory Authority with a proposed effective date of three months from the date of filing.

(3) Extension for Temporary Service

Extension for temporary service or for operations which in the Company's opinion are of a questionable permanence will not be made under this rule, but will be made in accordance with the rule pertaining to temporary service.

(4) Service From High Pressure Mains

Service shall be provided from a normal distribution facility of the Company. Company reserves the right, at its sole option, to refuse to extend facilities from any of its lines operating at pressures in excess of 125 pounds.

(5) Title to Facilities

Legal and equitable title to all mains installed by the Company upon which an advance, contribution, or other payment has been made, shall be and remain in the Company, and the Company shall have the right without the consent of, or any refund to, any party who made such advance, contribution, or other payment:

NON-RESIDENTIAL MAIN AND SERVICE EXTENSIONS - EXPERIMENTAL RULE
(Continued)

- a. To extend the gas main or connect additional gas mains to any part of it.
- b. To serve new additional customers at any time through service connections attached to such main or to extended or connected gas mains.

(6) Exceptional Cases

In unusual circumstances when the application of this rule appears impractical or unjust to either party, the Company or the Applicant may refer the matter to the

Tennessee Regulatory Authority for special ruling thereon prior to commencing construction.

D. Filings with the Authority

Any filings required to be made with the Authority as a result of this rule shall be filed with the Authority on April 1 of each year. In the event the accounting records necessary to make the required filings are not available to the Company prior to the April 1 filing deadline, the Company shall receive an additional 15 days to file upon filing a written extension request with the Authority prior to April 1.

SERVICE LINE

Service lines from the main to the meter will be laid by the Company, and will at all times remain subject to the control of the Company. It is not contemplated that in running service lines the Company will put risers in buildings when meters are set above the first floor, in cases of this kind the Company will run the service line to the ground floor or to the basement, but all expenses through and beyond the first floor foundation wall shall be borne by the customer. Service lines will be kept in repair by the Company at its own expense; but any alterations made necessary, such as changing of location, may be done at the customer's expense. The Company does not in any case hold itself responsible for a stoppage, from frost or other cause, of the service lines or house lines. The Company will employ all reasonable means of clearing the lines to the meter, when stopped from any cause. All lines beyond or leading from the meter must be cleared at the customer's expense.

System Wide Average Installation Costs of Certain Mains and Services

Mains (Steel and Plastic)

<u>Size</u>	<u>FY 1998</u>	<u>FY 1997</u>	<u>FY 1996</u>	<u>Three-year Average</u>
2" and under	\$9.07	\$12.68	\$8.08	\$9.94
4"	\$9.84	\$18.53	\$12.21	\$13.53

Services (Steel and Plastic)

<u>Size</u>	<u>FY 1998</u>	<u>FY 1997</u>	<u>FY 1996</u>	<u>Three-year Average</u>
1-1/4" and under	\$10.47	\$9.40	\$7.93	\$9.27
2"	\$10.46	\$17.17	\$10.43	\$12.69

Rules and Regulations
Appendix A
Page 2 of 22
Effective:

CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER \$1000
3/30/99

METERS	YEAR	INVEST- MENT	PROPERTY TAX	DEPREC- IATION	WEIGHTED COST OF DEBT	WEIGHTED RETURN ON EQUITY	FEDERAL AND STATE INCOME TAX AT	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED
1		1000.00	94.50	66.67	38.80	52.00	33.11	285.07	4.28	289.35
2		933.33	88.20	66.67	36.21	48.53	30.90	270.51	4.06	274.57
3		866.67	81.90	66.67	33.63	45.07	28.69	255.95	3.84	259.79
4		800.00	75.60	66.67	31.04	41.60	26.49	241.39	3.62	245.01
5		733.33	69.30	66.67	28.45	38.13	24.28	226.83	3.40	230.23
6		666.67	63.00	66.67	25.87	34.67	22.07	212.27	3.18	215.45
7		600.00	56.70	66.67	23.28	31.20	19.86	197.71	2.97	200.68
8		533.33	50.40	66.67	20.69	27.73	17.66	183.15	2.75	185.90
9		466.67	44.10	66.67	18.11	24.27	15.45	168.59	2.53	171.12
10		400.00	37.80	66.67	15.52	20.80	13.24	154.03	2.31	156.34
11		333.33	31.50	66.67	12.93	17.33	11.04	139.47	2.09	141.56
12		266.67	25.20	66.67	10.35	13.87	8.83	124.91	1.87	126.78
13		200.00	18.90	66.67	7.76	10.40	6.62	110.35	1.66	112.00
14		133.33	12.60	66.67	5.17	6.93	4.41	95.79	1.44	97.22
15		66.67	6.30	66.67	2.59	3.47	2.21	81.23	1.22	82.45
			756.00	1000.00	310.40	416.00	264.85	2747.25	41.21	2788.46

TO CONVERT THE \$1678.51 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.0228,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE: **\$209.22**

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES):

\$17.43

- (1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0680% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF \$0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%
O&M CHG:	6.80%
WTD COD:	3.88%
WTD ROE:	5.20%
FED & ST INT:	38.90%
NO. OF YEARS:	15
INVESTMENT:	1,000
REMOVAL EXP:	0

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CHAITANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER \$1000
3/30/99

YEAR	INVEST- MENT	PROPERTY TAX	DEPRECI- ATION	WEIGHTED COST OF DEBT	WEIGHTED RETURN ON EQUITY	FEDERAL AND STATE INCOME TAX AT	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED	PRESENT VALUE 9.08%	15 YEARS AT 9.08% ANNUITY
1	1000.00	38.70	66.67	38.80	52.00	33.11	229.27	3.44	232.71	0.9168	213.34
2	933.33	36.12	66.67	36.21	48.53	30.90	218.43	3.28	221.71	0.8404	186.33
3	866.67	33.54	66.67	33.63	45.07	28.69	207.59	3.11	210.71	0.7705	162.35
4	800.00	30.96	66.67	31.04	41.60	26.49	196.75	2.95	199.70	0.7063	141.06
5	733.33	28.38	66.67	28.45	38.13	24.28	185.91	2.79	188.70	0.6476	122.19
6	666.67	25.80	66.67	25.87	34.67	22.07	175.07	2.63	177.70	0.5936	105.49
7	600.00	23.22	66.67	23.28	31.20	19.86	164.23	2.46	166.69	0.5442	90.72
8	533.33	20.64	66.67	20.69	27.73	17.66	153.39	2.30	155.69	0.4989	77.68
9	466.67	18.06	66.67	18.11	24.27	15.45	142.55	2.14	144.69	0.4574	66.18
10	400.00	15.48	66.67	15.52	20.80	13.24	131.71	1.98	133.68	0.4193	56.06
11	333.33	12.90	66.67	12.93	17.33	11.04	120.87	1.81	122.68	0.3844	47.16
12	266.67	10.32	66.67	10.35	13.87	8.83	110.03	1.65	111.68	0.3524	39.36
13	200.00	7.74	66.67	7.76	10.40	6.62	99.19	1.49	100.68	0.3231	32.53
14	133.33	5.16	66.67	5.17	6.93	4.41	88.35	1.33	89.67	0.2962	26.56
15	66.67	2.58	66.67	2.59	3.47	2.21	77.51	1.16	78.67	0.2715	21.36
		309.60	1000.00	310.40	416.00	264.85	2300.85	34.51	2335.36		1388.37

TO CONVERT THE \$1388.37 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.0228,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE:

\$173.05

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES):

\$14.42

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0122% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF \$0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%
O&M CHG:	1.22%
WTD COD:	3.88%
WTD ROE:	5.20%
FED & ST I/T:	38.90%
NO. OF YEARS:	15
INVESTMENT:	1,000
REMOVAL EXP:	0

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CHAITANOOGA GAS COMPANY
MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER \$1000
3/30/99

SERVICES											
YEAR	INVEST- MENT	PROPERTY TAX	DEPRECI- ATION	WEIGHTED COST OF DEBT	WEIGHTED RETURN ON EQUITY	FEDERAL AND STATE INCOME TAX AT	NET PRIOR DETAX	1.5% DET	REVENUE REQUIRED	PRESENT VALUE 9.08%	15 YEARS AT 9.08% ANNUITY
1	1000.00	38.70	66.67	38.80	52.00	33.11	229.27	3.44	233.71	0.9168	213.34
2	933.33	36.12	66.67	36.21	48.53	30.90	218.43	3.28	221.71	0.8404	186.33
3	866.67	33.54	66.67	33.63	45.07	28.69	207.59	3.11	210.71	0.7705	162.35
4	800.00	30.96	66.67	31.04	41.60	26.49	196.75	2.95	199.70	0.7063	141.06
5	733.33	28.38	66.67	28.45	38.13	24.28	185.91	2.79	188.70	0.6476	122.19
6	666.67	25.80	66.67	25.87	34.67	22.07	175.07	2.63	177.70	0.5936	103.49
7	600.00	23.22	66.67	23.28	31.20	19.86	164.23	2.46	166.69	0.5442	90.72
8	533.33	20.64	66.67	20.69	27.73	17.66	153.39	2.30	155.69	0.4989	77.68
9	466.67	18.06	66.67	18.11	24.27	15.45	142.55	2.14	144.69	0.4574	66.18
10	400.00	15.48	66.67	15.52	20.80	13.24	131.71	1.98	133.68	0.4193	56.06
11	333.33	12.90	66.67	12.93	17.33	11.04	120.87	1.81	122.68	0.3844	47.16
12	266.67	10.32	66.67	10.35	13.87	8.83	110.03	1.65	111.68	0.3524	39.36
13	200.00	7.74	66.67	7.76	10.40	6.62	99.19	1.49	100.68	0.3231	32.53
14	133.33	5.16	66.67	5.17	6.93	4.41	88.35	1.33	89.67	0.2962	26.56
15	66.67	2.58	66.67	2.59	3.47	2.21	77.51	1.16	78.67	0.2715	21.36
		309.60	1000.00	310.40	416.00	264.85	2200.85	34.51	2335.36		1388.37

TO CONVERT THE \$1388.37 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 8.0228,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 15 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE:

\$173.05

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES):

\$14.42

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0125% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF \$0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.69%
QA&M CHG:	1.22%
WTD COD:	3.89%
WTD ROE:	5.29%
FED & ST I/T:	38.90%
NO. OF YEARS:	15
INVESTMENT:	1,000
REMOVAL EXP:	0

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CHATTANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER \$1000
3/30/99

METERS	YEAR	INVEST- MENT	PROPERTY TAX 9.45%	DEPRECI- ATION 10.00%	WEIGHTED COST OF DEBT 3.88%	WEIGHTED RETURN ON EQUITY 5.20%	FEDERAL AND STATE INCOME TAX AT 38.90%	NET PRIOR G.E.TAX	1.5% GET	REVENUE REQUIRED
1		1000.00	94.50	100.00	38.80	52.00	33.11	318.41	4.78	323.18
2		900.00	85.05	100.00	34.92	46.80	29.80	296.57	4.45	301.01
3		800.00	75.60	100.00	31.04	41.60	26.49	274.73	4.12	278.85
4		700.00	66.15	100.00	27.16	36.40	23.17	252.88	3.79	256.68
5		600.00	56.70	100.00	23.28	31.20	19.86	231.04	3.47	234.51
6		500.00	47.25	100.00	19.40	26.00	16.55	209.20	3.14	212.34
7		400.00	37.80	100.00	15.52	20.80	13.24	187.36	2.81	190.17
8		300.00	28.35	100.00	11.64	15.60	9.93	165.52	2.48	168.00
9		200.00	18.90	100.00	7.76	10.40	6.62	143.68	2.16	145.84
10		100.00	9.45	100.00	3.88	5.20	3.31	121.84	1.83	123.67
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			519.75	1000.00	213.40	286.00	182.09	2201.24	33.02	2234.25

TO CONVERT THE \$1529.21 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.3951,
THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE:

\$239.12

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES):

\$19.93

- (1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0680% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF \$0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%
O&M CHG:	6.80%
WTID COD:	3.88%
WTID ROE:	5.20%
FED & ST VT:	38.90%
NO. OF YEARS:	10
INVESTMENT:	1,000
REMOVAL EXP:	0

CHATTANOOGA GAS COMPANY
MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT
COMPUTED PER \$1000
3/30/99

TO CONVERT THE \$1304.36 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.3951. THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 9.08%.

\$203,96

\$17.00

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0122% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF \$0.00 TOTAL.

PROP TLE:	2.65%
OEAM CHO:	1.22%
WTD COD:	3.88%
WTD ROE:	5.20%
FED & ST LT:	38.90%
NO. OF YEARS:	10
INVESTMENT:	1,000
REMOVAL EXP:	0

CHATTANOOGA GAS COMPANY

SERVICES

TO CONVERT THE \$1304.36 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 6.3951. THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 10 YEAR ANNUITY AT 9.06%.

ANNUAL CARRYING CHARGE:

\$203.96

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES):

\$17.00

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0122% PER YEAR.
(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF \$0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

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CHAATANOOGA GAS COMPANY

MONTHLY CARRYING CHARGE PER UNIT NECESSARY TO COVER
INCREMENTAL COSTS OF GAS PLANT INVESTMENT

COMPUTED PER \$1000

4/21/99

SERVICEABLE HOME		PROPERTY TAX		DEPRECIATION		WEIGHTED COST OF DEBT		WEIGHTED RETURN ON EQUITY		FEDERAL AND STATE INCOME TAX AT		NET PRIOR G.T. TAX		1.5% GET		REVENUE REQUIRED		PRESENT VALUE		5 YEARS AT 9.08% ANNUITY	
YEAR	INVEST- MENT	3.87%	20.00%	3.88%	5.20%	38.90%												9.08%			
1	1000.00	38.70	200.00	38.80	52.00	33.11	362.61	5.44	368.05	0.9168	337.41										
2	800.00	30.96	200.00	31.04	41.60	26.49	330.09	4.95	335.04	0.8404	281.58										
3	600.00	23.22	200.00	23.28	31.20	19.86	297.56	4.46	302.03	0.7705	232.71										
4	400.00	15.48	200.00	15.52	20.80	13.24	265.04	3.98	269.02	0.7063	190.02										
5	200.00	7.74	200.00	7.76	10.40	6.62	232.52	3.49	236.01	0.6476	152.83										
		116.10	1000.00	116.40	156.00	99.32	1487.82	22.32	1510.14		1194.55										

TO CONVERT THE \$1194.55 TO A LEVEL ANNUAL AMOUNT, IT IS NECESSARY TO DIVIDE BY 3.8816.

THE FACTOR USED TO CONVERT A PRESENT AMOUNT TO A 5 YEAR ANNUITY AT 9.08%.

ANNUAL CARRYING CHARGE: \$307.75

MONTHLY CARRYING CHARGE (TO BE ROUNDED FOR BILLING PURPOSES):

\$25.65

(1) PROPERTY TAX COLUMN INCLUDES A MAINTENANCE CHARGE OF 0.0122% PER YEAR.

(2) DEPRECIATION COLUMN INCLUDES COST OF REMOVAL EXPENSE OF \$0.00 TOTAL.

CAPITAL STRUCTURE AND COST RATES:

PROP TAX:	2.65%
O&M CHG:	1.22%
WTD COD:	3.88%
WTD ROE:	5.20%
FED & ST LT:	38.90%
NO. OF YEARS:	5
INVESTMENT:	1,000
REMOVAL EXP:	0

Chattanooga Gas Company

Annual Meter Reading and Billing Costs

Rate(s)	Number of Customers	# Customers *Customer Weight	Allocation Factor	Cost per Customer
R-1	46944	46944	0.84298233	\$33.01
C-1	7860	7860	0.141143514	\$33.01
R-4	6	12	0.000215486	\$66.01
T-1,T-2,L-1,I-1	109	872	0.01565867	\$264.06
Totals	54919	55688	1	

Customer Weights

R-1	1
C-1	1
R-4	2
T-1,T-2,L-1,I-1	8

Customer Account Expenses

Account 901	Supervision	\$21,064
Account 902	Meter Reading	\$295,520
Account 903	Records/Collections	\$100,727
Account 905	Misc. Expenses	\$586
Account 910	Customer Assistance Exp.	\$99,667
Account 911	Informational & Instructional Exp.	\$391
	Shared Services Allocation	\$1,320,143
Total		\$1,838,097

(from FERC Form II, 9/98)

**Chattanooga Gas Company
Gas Consumption Bulletin
Annual Therms**

<u>Appliance</u>	Single Family Average Use Per Dwelling	Multi-Family Average Use Per Dwelling	Mobile/Mfg. Average Use Per Dwelling
*Space Heating	0.32	0.16	0.67
Water Heating	281	281	281
#Water Heater (Additional)	70	70	70
Cooking	40	40	40
Drying	41	41	41
Gas Light	154	154	154
Gas Heat Pump (Per 3-ton system) (Heating = 710, Cooling = 327)	1037	1037	1037

*The consumption for space heating is expressed in Therms per Conditioned Square Feet per Year.
#(Minimum 30 gallon)

**Allowable Investment
Single Family
w/ WH**

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Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C, GL	SH,WH GL	SH,WH C, GL, DR	SH,WH C, DR	SH,WH DR
1000	\$770	\$810	\$960	\$920	\$1,000	\$850	\$810
1250	\$850	\$890	\$1,040	\$1,000	\$1,080	\$930	\$890
1500	\$930	\$970	\$1,120	\$1,080	\$1,170	\$1,010	\$970
1750	\$1,010	\$1,050	\$1,210	\$1,160	\$1,250	\$1,090	\$1,050
2000	\$1,090	\$1,130	\$1,290	\$1,250	\$1,330	\$1,170	\$1,130
2250	\$1,170	\$1,210	\$1,370	\$1,330	\$1,410	\$1,250	\$1,210
2500	\$1,250	\$1,290	\$1,450	\$1,410	\$1,490	\$1,330	\$1,290
2750	\$1,330	\$1,370	\$1,530	\$1,490	\$1,570	\$1,410	\$1,370
3000	\$1,410	\$1,450	\$1,610	\$1,570	\$1,650	\$1,500	\$1,450
3250	\$1,490	\$1,530	\$1,690	\$1,650	\$1,730	\$1,580	\$1,540
3500	\$1,580	\$1,620	\$1,770	\$1,730	\$1,810	\$1,660	\$1,620
3750	\$1,660	\$1,700	\$1,850	\$1,810	\$1,890	\$1,740	\$1,700
4000	\$1,740	\$1,780	\$1,930	\$1,890	\$1,970	\$1,820	\$1,780

Allowable Investment
Multi-Family
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C, GL	SH,WH GL	SH,WH C, GL, DR	SH,WH C, DR	SH,WH DR
500	\$640	\$680	\$840	\$800	\$880	\$730	\$690
600	\$660	\$700	\$860	\$820	\$900	\$740	\$700
700	\$680	\$720	\$870	\$830	\$910	\$760	\$720
800	\$690	\$730	\$890	\$850	\$930	\$770	\$730
900	\$710	\$750	\$910	\$860	\$950	\$790	\$750
1000	\$730	\$770	\$920	\$880	\$960	\$810	\$770
1100	\$740	\$780	\$940	\$900	\$980	\$820	\$780
1200	\$760	\$800	\$950	\$910	\$1,000	\$840	\$800
1300	\$770	\$810	\$970	\$930	\$1,010	\$860	\$820
1400	\$790	\$830	\$990	\$950	\$1,030	\$870	\$830
1500	\$810	\$850	\$1,000	\$960	\$1,040	\$890	\$850
1600	\$820	\$860	\$1,020	\$980	\$1,060	\$900	\$860
1700	\$840	\$880	\$1,030	\$990	\$1,080	\$920	\$880

Allowable Investment
Mobile or Manufactured Homes
w/ WH

Size (sq. ft.)	SH,WH	SH,WH C	SH,WH C, GL	SH,WH GL	SH,WH C, GL, DR	SH,WH C, DR	SH,WH DR
400	\$400	\$420	\$510	\$490	\$540	\$450	\$420
500	\$440	\$460	\$550	\$530	\$570	\$490	\$460
600	\$480	\$500	\$590	\$570	\$610	\$520	\$500
700	\$520	\$540	\$630	\$600	\$650	\$560	\$540
800	\$550	\$580	\$660	\$640	\$690	\$600	\$580
900	\$590	\$610	\$700	\$680	\$730	\$640	\$620
1000	\$630	\$650	\$740	\$720	\$760	\$680	\$650
1100	\$670	\$690	\$780	\$760	\$800	\$710	\$690

Allowable Investment
Single Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
1000	\$80	\$300	\$430	\$400	\$470	\$340	\$300	\$80	\$0
1250	\$150	\$370	\$500	\$470	\$540	\$410	\$370	\$80	\$0
1500	\$220	\$440	\$570	\$540	\$610	\$470	\$440	\$80	\$0
1750	\$290	\$510	\$640	\$600	\$670	\$540	\$510	\$80	\$0
2000	\$360	\$580	\$710	\$670	\$740	\$610	\$580	\$80	\$0
2250	\$430	\$640	\$780	\$740	\$810	\$680	\$650	\$80	\$0
2500	\$490	\$710	\$850	\$810	\$880	\$750	\$710	\$80	\$0
2750	\$560	\$780	\$910	\$880	\$950	\$820	\$780	\$80	\$0
3000	\$630	\$850	\$980	\$950	\$1,020	\$890	\$850	\$80	\$0
3250	\$700	\$920	\$1,050	\$1,020	\$1,090	\$950	\$920	\$80	\$0
3500	\$770	\$990	\$1,120	\$1,090	\$1,150	\$1,020	\$990	\$80	\$0
3750	\$840	\$1,060	\$1,190	\$1,150	\$1,220	\$1,090	\$1,060	\$80	\$0
4000	\$910	\$1,120	\$1,260	\$1,220	\$1,290	\$1,160	\$1,130	\$80	\$0

Allowable Investment
Multi-Family
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,SuppH	SuppH
500	\$0	\$220	\$350	\$310	\$380	\$250	\$220	\$200	\$0
600	\$10	\$230	\$360	\$330	\$400	\$260	\$230	\$200	\$0
700	\$30	\$240	\$380	\$340	\$410	\$280	\$240	\$200	\$0
800	\$40	\$260	\$390	\$350	\$420	\$290	\$260	\$200	\$0
900	\$50	\$270	\$400	\$370	\$440	\$310	\$270	\$200	\$0
1000	\$70	\$280	\$420	\$380	\$450	\$320	\$290	\$200	\$0
1100	\$80	\$300	\$430	\$400	\$470	\$330	\$300	\$200	\$0
1200	\$90	\$310	\$440	\$410	\$480	\$350	\$310	\$200	\$0
1300	\$110	\$330	\$460	\$420	\$490	\$360	\$330	\$200	\$0
1400	\$120	\$340	\$470	\$440	\$510	\$370	\$340	\$200	\$0
1500	\$140	\$350	\$490	\$450	\$520	\$390	\$350	\$200	\$0
1600	\$150	\$370	\$500	\$460	\$530	\$400	\$370	\$200	\$0
1700	\$160	\$380	\$510	\$480	\$550	\$420	\$380	\$200	\$0

Allowable Investment
Mobile or Manufactured Homes
w/o WH

Size (sq. ft.)	SH	SH,C	SH,C,GL	SH,GL	SH,C GL,DR	SH C,DR	SH,DR	C,Supph	Supph
400	\$30	\$170	\$260	\$230	\$280	\$190	\$170	\$50	\$0
500	\$60	\$210	\$300	\$270	\$320	\$230	\$210	\$50	\$0
600	\$100	\$250	\$330	\$310	\$360	\$270	\$250	\$50	\$0
700	\$140	\$280	\$370	\$350	\$400	\$310	\$290	\$50	\$0
800	\$180	\$320	\$410	\$390	\$430	\$350	\$320	\$50	\$0
900	\$220	\$360	\$450	\$430	\$470	\$380	\$360	\$50	\$0
1000	\$250	\$400	\$490	\$460	\$510	\$420	\$400	\$50	\$0
1100	\$290	\$440	\$520	\$500	\$550	\$460	\$440	\$50	\$0

Allowable Investment
Single Family & Multi Family

Size (sq.ft.)	Supph	C,Supph	WH	WH Supph	Supph WH,C	Supph WH,C,GL	Supph WH,GL	Supph,WH C,GL,DR	Supph,WH C,DR	Supph,WH DR	Size sq.ft.
1000	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	400
1250	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	500
1500	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	600
1750	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	700
2000	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	800
2250	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	900
2500	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	1000
2750	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	1100
3000	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	
3250	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	
3500	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	
3750	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	
4000	\$0	\$100	\$360	\$410	\$440	\$570	\$540	\$610	\$480	\$440	

**Allowable Investment
Mobile or Manufactured**

Size sq.ft.	SuppH	C,SuppH	WH	SuppH	WH,C	SuppH WH,C,GL	SuppH WH,GL	SuppH,WH C,GL,DR	SuppH,WH C,DR	SuppH,WH DR
400	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290
500	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290
600	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290
700	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290
800	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290
900	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290
1000	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290
1100	\$0	\$50	\$240	\$270	\$290	\$380	\$360	\$400	\$310	\$290

**Allowable Investment
Single Family & Multi-Family
For Gas HP**

Size sq. ft.	SH, AC	SH, WH AC	SH, WH AC, C	SH, WH AC, C, GL	SH, WH AC, GL	SH, WH, AC C, GL, DR	SH, WH AC, C, DR	SH, WH AC, DR
Gas Ht. Pu (3 ton unit)	\$840	\$1,250	\$1,290	\$1,440	\$1,400	\$1,480	\$1,330	\$1,290

Allowable Investment
Mobile or Manufactured Homes
For Gas HP

SH,WH	SH,WH	SH,WH	SH,WH	SH,WH,AC	SH,WH	SH,WH
AC	AC,C	AC,C,GL	AC,GL	C,GL,DR	AC,C,DR	AC,DR
\$700	\$720	\$810	\$790	\$830	\$750	\$720

Rules and Regulations
Appendix A
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Effective:

Appl.	Therm	
	Usage	
SH	0.320	per s.f.
MF SH	0.160	per s.f.
Mob. SH	0.670	per s.f.
WH	281	
C	40	
DR	41	
GL	154	
GR	15	Cooling Heating
GHP	1037	327 710
Auxiliary WH	70	
Supp. Heating	59	

Size	SH, AC
sq. ft.	
Gas Ht. Pu (3 ton unit)	\$470

Other input variables			
Level annual carrying charge single & multi ser & main	15 years	10 years	
Level annual carrying charge all res. customers met & reg	17.31%	20.40%	
Level annual carrying charge mobile home ser & main	20.92%	23.91%	
Level annual carrying charge mobile home ser & main	30.78%		
Meter/regulator	\$141	or	\$29 \$34
Customer acct. exp.	\$33	(Based on account #'s in FERC Form 2)	
Street Crossing Chg.	\$121		\$21 \$25
Filed Cost Service	\$9.27	per foot	
Chattanooga R-1			
WH revenue	\$0.250		
AC revenue	\$0.045		
SH revenue	\$0.175		
Base revenue	\$0.175		
Annual Cust Charge	\$90.00	(12 months x 7.50)	
SH only Revenue	\$0.175		
SH Customer Charge	\$52.50	(7 months x 7.50)	
Suppl. Customer Charge	\$0.00		

*Allowable Investment for Additional Gas Loads and
Single Appliance Installations*

<u>Type of Appliance</u>	<i>Single Family Revenue</i>	<i>Multi- Family Revenue</i>	<i>Mobile Family Revenue</i>
Each additional 250 square feet gas SH, WH, and others	\$80	NA	NA
Each additional 250 square feet gas SH only	\$70	NA	NA
Each additional 100 square feet gas SH, WH and others	NA	\$20	\$40
Each additional 100 square feet gas SH only	NA	\$10	\$40
Each additional gas water heater (30 gallon min.)	\$70	\$70	\$40
Gas water heater only	\$360	\$360	\$240
Gas cooking only	\$30	\$30	\$20
Gas cooking	\$40	\$40	\$20
Gaslight only	\$120	\$120	\$80
Gaslight	\$130	\$130	\$90
Gas Grill	\$20	\$20	\$10
Gas Dryer Only	\$30	\$30	\$20
Gas Dryer	\$40	\$40	\$30